***Military truck gets new parent***

Quarter-ton M-151 military vehicle is one of more than 30 different models of tactical trucks built by AM General. American Motors has signed an agreement to sell AM General to LTV Corp.

**Mid-month total is highest since 1979**

# Sales post sixth straight increase

By Jenny L. King
Staff Writer

Up for the sixth consecutive 10-day period, domestic new-car sales continued to show signs of increasing strength, even during the long, hot, sometimes slow-paced days of summer.

All U. S. auto makers except Volkswagen of America improved their mid-July sales totals compared with a year ago, bringing the final count to its best level since 1979.

For July 11-20, it was 206,875, up 56.21 percent from 132,438 in 1982. Four years ago, in 1979, the mid-July total was 239,253. Highest for the period was 310,431 tabulated back in the boom year of 1973.

On a daily-rate basis, sales were up 38.85 percent, to 22,986 per day with nine selling days this year from 16,555 based on eight selling days a year ago.

Year-to-date sales for 1983 stood at 3,677,507, up 15.82 percent from 3,175,180 through July 20, 1982.

For the period, General Motors was up 63.80 percent, to 128,390 from 78,382 last year (up 45.60 percent on a daily-rate basis). Ford Motor Co. was up 42.47 percent, to 43,718 from 30,686 (up 26.64 percent daily rate). Chrysler Corp. sales of 26,403 were up 41.21 percent from 18,698 (up 25.55 daily rate).

American Motors was up 102.27 percent, to an estimated 4,450 from 2,200 (up 79.64 daily rate); VWoA dropped 15.13 percent, to 2,098 from 2,472 (down 24.60 daily rate), and Honda sales of Ohio-built Accords totaled 1,816 for the period.

• GM's share of the market climbed to 62.06 percent from the year-ago 59.18 percent. Ford slipped back to 21.13 percent from 23.17 percent. Chrysler was down to 12.76 percent from 14.12 percent. AMC rose to 2.15 percent from 1.66 percent; VWoA skidded to 1.02 percent from 1.87 percent and Honda held the remaining 0.88 percent of the 1983 market.

There were double-digit percentage increases in sales for most of the U. S. makes July 11-20. At GM, Cadillac was up 48.28 percent, Chevrolet was up 62.27 percent, Oldsmobile was up 63.35 percent, Buick was up 71.41 percent and Pontiac was up 65.37 percent.

Ford Division was up 36.26 percent, Mercury was up 57.12 percent and Lincoln climbed 55.60 percent. At Chrysler Corp., Chrysler was up 62.55 percent, Dodge was up 49.81 percent, Plymouth was up 19.46 percent and Imperial sales dropped 45.16 percent.

VW was down 15.13 percent and AMC was down an estimated 38.64 percent, while Renault Alliance and Honda Accord were on the board for the first time and had no year-ago comparisons.

Annualized sales based on the July 11-20 total figured to 6,888,900. A year earlier, they were traveling at a rate of 5,571,000, close to the year's actual total of 5,756,660.

**DOMESTIC SALES**

| | July 11-20, 1983 | July 11-20, 1982 |
|---|---|---|
| Renault | | |
| Alliance | 3,100† | ..... |
| AMC | 1,350† | 2,200† |
| AMERICAN MOTORS | 4,450† | 2,200† |
| Chrysler | 7,601 | 4,676 |
| Imperial | 17 | 31 |
| Plymouth | 8,559 | 7,165 |
| Dodge | 10,226 | 6,826 |
| CHRYSLER CORP. | 26,403 | 18,698 |
| Ford | 29,202 | 21,431 |
| Mercury | 11,902 | 7,575 |
| Lincoln | 2,614 | 1,680 |
| FORD MOTOR | 43,718 | 30,686 |
| Buick | 27,845 | 16,245 |
| Cadillac | 8,898 | 6,001 |
| Chevrolet | 42,306 | 26,071 |
| Oldsmobile | 30,581 | 18,721 |
| Pontiac | 18,760 | 11,344 |
| GENERAL MOTORS | 128,390 | 78,382 |
| VOLKSWAGEN | 2,098 | 2,472 |
| HONDA | 1,816 | ..... |
| U. S. INDUSTRY TOTAL | 206,875 | 132,438 |

† Estimate.

**Detroit to continue as base**

# AMC sells AM General to LTV

DETROIT.—American Motors has signed an agreement to sell its AM General subsidiary to LTV Corp.

AM General is the largest U. S. supplier of U. S. tactical military vehicles.

AMC will receive $120 million in cash and $50 million in short-term notes from LTV and a $20-million dividend from AM General.

Closing is scheduled for mid-September after the receipt of various required approvals.

AM General will be operated as part of LTV's Aerospace/Defense Group, headed by Robert L. Kirk, an LTV group vice-president.

"We are pleased that LTV will be the new parent company of AM General," said Paul Tippett, chairman and chief executive officer of AMC.

"LTV is a first-rate organization and should continue AM General's tradition of excellence. With LTV as the purchaser, we are confident that the transaction will proceed on schedule.

"We made the decision to sell AM General in order to concentrate our resources on a planned automotive product strategy and to fund development of new products in the future," Tippett said.

• Said LTV's chairman, Raymond A. Hay, "AM General's position as a leading manufacturer of tactical military vehicles will complement our broadening defense and aerospace base and improve the balance with our other businesses which are affected by the general economic climate.

"AM General is a highly successful government contractor and has a fine growth record under the leadership of its president, Lawrence Hyde," Hay said.

AM General is headquartered in Detroit and has production facilities in Indiana. It is completely separate from Jeep Corp., another AMC subsidiary.

"We are pleased that LTV plans to retain the AM General organization intact and that AM General will remain based in the Detroit area with manufacturing operations continued in South Bend and Indianapolis," Tippett said.

"We are also pleased that LTV will continue to reactivate a presently unused facility at Mishawaka, Ind., for Hummer production, with every indication that employment will be increased."

• AM General has approximately 2,600 employes, 300 in the Detroit area and 2,300 in Indiana. LTV will seek separate facilities for the 300 in Detroit currently based with AMC.

Based in Dallas, LTV is a multi-industry company which operates in the aerospace/defense industry through its Vought Corp.; in the steel industry through its Jones & Laughlin Steel Corp., and in the energy field through its Continental Emsco subsidiary.

With the assistance of its financial advisor Lazard Freres, AMC received offers for AM General from other companies and an AM General management group.

One suitor was Cyprus Corp., an investment firm headed by Willard F. Rockwell Jr. The management group was headed by Hyde.

A spokesman for AMC said LTV indicated it wants to retain all of AM General's employes, including Hyde and the 12 other executives who comprised that consortium.

AM General produces more than 30 different models of tactical trucks, ranging in size from ¼-ton to 20-ton. It also produces postal vehicles.

In March, AM General was awarded a $59.8 million contract by the Army for 2,334 multi-purpose wheeled vehicles dubbed the Hummer. The award is for the first year of a five-year multi-year contract for 54,973 vehicles. The potential value of the total contract is $1.2 billion.

For the three years, 1980-82, AM General's annual sales amounted to $374 million, $276 million and $485 million, respectively, with pre-tax profits of $19 million, $24 million and $79 million. For the first six months of 1983, AM General's pre-tax profits were $21.4 million on sales of $293 million.

AMC's gain on the sale should show up on the firm's third-quarter balance sheet.

## Efforts to cure trade inequities urged by Ross

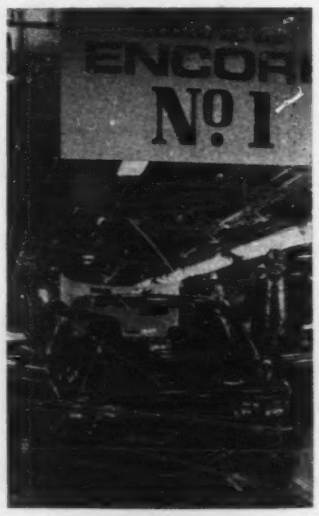
TRAVERSE CITY, Mich.—Louis R. Ross, Ford Motor Co. executive vice president, is a political agitator, he admitted to a University of Michigan management seminar here.

"I'm trying to get you up in arms about some of the basic inequities facing us in world trade," Ross told an audience of 400, made up mostly of supplier firm executives.

He ran through a list of issues he said must be changed through "the rational revolution of U. S. industry."

The 28-year-Ford veteran's list includes a lack of U. S. national strategy, unrealistic currency relationships to the dollar, tax inequities and a lack of technical leadership, particularly in manufacturing.

"If you don't cure these problems there will be a serious threat to our industrial base," he said. Ross said all the changes he thinks are needed can be forced by the pushing of congressmen by individuals and institutions in their districts.




***The first Encore***

Preparing to drive the first Renault Encore from the American Motors assembly line in Kenosha are George Maddox, right, AMC manufacturing vice president, and Gene Sylvester, president of UAW Local 172. The Encore three-door and five-door hatchbacks will go on sale in September.

# Ford's Feaheny seeks $330 million in suit

DETROIT. — Thomas Feaheny, Ford Motor Co. vice president for vehicle research, last week sued Henry Ford II, Ford Chairman Philip Caldwell and five other senior Ford executives for $330 million.

Since filing the lawsuit, Feaheny has been suspended from his post, with pay.

Feaheny said in a suit filed in Circuit Court that ever since he testified as a witness for Ford in a Pinto trial, there has been a conspiracy by Ford officials to leave him to "twist in the wind."

Feaheny told the press he believes he is the only Ford officer who wasn't granted stock options in 1980-82 and that he thinks he should have received options worth $1 million.

He said his salary of $165,000 a year has been frozen since early 1979. Feaheny said he also had been denied other "perks." All of this, he said, damaged his reputation and caused him economic hardship.

Feaheny said his problems began when Caldwell became chairman in 1980. Early in 1980, Feaheny had testified in the Pinto trial in Winamac, Ind., in which Ford was charged with reckless homicide in three deaths resulting from a fiery Pinto rear-end crash.

Feaheny testified that the Pinto was safe and Ford was acquitted of the charges. At the time of the trial, Feaheny was vice president for car engineering.

Feaheny said he believes that top Ford executives considered him "tainted" by his Pinto involvement.

After Caldwell was named chairman and a new team was brought in following the dismissal of Lee A. Iacocca, Feaheny said, there was a concerted effort to get rid of officials associated with products developed under Iacocca.

Feaheny said he has no plans to resign from Ford.

Along with Ford and Caldwell, executives named in the suit are Harold A. Poling, executive vice president for North American Automotive Operations; Harold C. MacDonald, a retired vice president for engineering and research; John McDougall, a retired executive vice president for International Operations; Louis R. Ross, an executive vice president for technical staffs, and Peter J. Sherry, vice president for personnel and organization.

In a Ford statement, Henry R. Nolte Jr., general counsel, said, "We have not had the opportunity to review Mr. Feaheny's complaint in detail, but we are generally familiar with this matter.

"We believe the actions of the company and its officers were entirely proper and that there is no basis for any of the claims."

**Earnings top $542 million**

# Ford sales and profit highest in four years

By Kathleen Hamilton
Financial Editor

Ford Motor Co. reported its highest sales and profit levels in four years, beating Wall Street's projections for the second quarter.

Earnings of $542.2 million ($4.50 a share) came on sales of $11.73 billion. It marked the first time since 1979 that the No. 2 auto maker had two consecutive money-making quarters.

Earnings for the second quarter were more than 2½ times the level in the comparable 1982 quarter, when Ford earned $204.9 million. In the meantime, quarterly unit sales were up less than 1 percent and dollar volume was up 7 percent from $10.9 billion.

That means Ford has benefited from a richer model mix and greater volumes that allow it to garner more profits per car. But Ford Chairman Philip Caldwell also attributed the gain to major cost reductions.

U. S. operations are "solidly in the black," Caldwell said. Because Ford Motor Credit Co. contributed only $70.4 million toward the profit (nevertheless up more than a third from last year), this means Ford is indeed making money on U. S. vehicle sales.

Caldwell said Ford has trimmed $1 billion in annual costs each year since 1979. However, its costs for the latest quarter were up 4.5 percent compared with a year earlier.

Ford has reduced its selling and administrative expenses, retirement costs, interest costs and debt compared with last year. Its cash level of $2.49 billion at the end of the quarter was slightly below the $2.62 billion on hand a year earlier.

• Outside the U. S., Ford earned a profit of $136 million in the second quarter, a 24-percent decline from a year earlier. Ford attributed the decline to adverse foreign currency exchange effects in Latin America and to the high cost of new-model introductions.

Car and truck sales overseas totaled 553,758 in the second quarter, an increase of 4 percent over last year's 532,198. Car and truck sales in the U. S. and Canada totaled 778,426, a decline of less than 1 percent. When tractor sales are added, worldwide vehicle sales totaled 1.35 million, an increase of less than 1 percent.

Like General Motors and Chrysler, which announced their profits first, Ford has substantially reduced its breakeven point and was able to make much higher profits per sale even with last quarter's modest sales upturn.

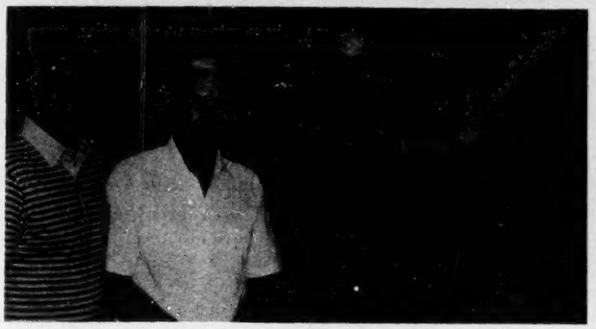
In the first six months of this year, Ford earned $764.4 million ($6.25 a share), a turnaround of $862 million from the loss of $97.5 million ($0.80 a share) in the first half of 1982.

Sales for the first half were up nearly 10 percent, from $19.85 billion last year to $21.77 billion this year.

### GM ranks as No. 3 on Forbes 500 list

NEW YORK. — General Motors' 1982 sales of $60 billion were enough to keep it in third place on the Forbes Sales 500 list. Ahead of GM were Exxon, with sales of $97 billion, and American Telephone & Telegraph, with sales of $65 billion.

Ford Motor Co. moved from No. 7 to No. 6, even though its sales of $37 billion represented a 3 percent decrease. Chrysler fell from No. 37 to No. 42 with sales of $10 billion. American Motors improved its position, from No. 254 to No. 233, with its sales of nearly $3 billion.



***Georgia officers begin terms***

T. G. Crosby, third from left, Crosby Pontiac-Cadillac-GMC-Datsun, Waycross, has begun his term as president of the Georgia Automobile Dealers Assn. Pictured with Crosby are, from left: William F. Morie, GADA executive vice president; Carey B. Paul, Carey Paul Ford-Honda, Decatur, retiring president, and Lewis A. Welch, Lewis Welch Oldsmobile, Morrow, president-elect and treasurer.

**But dollar volume rises 42 pct.**

# AMC's loss is worst in 11 quarters

American Motors, hit by high retooling costs and a sharp drop in government payments to its AM General subsidiary, reported its worst loss in 11 quarters: $78.87 million ($1.06 a share).

The second quarter marked the 13th consecutive period in which AMC lost money, and the loss was bigger than several analysts had predicted. Last year at this time, AMC reported a second-quarter loss of $68.76 million ($1.24 a share, when there were 20 million fewer shares outstanding than there are today).

But there was a glimmer of a silver lining in AMC's preliminary earnings report: Vehicle sales were up 43 percent from the year-earlier period, and dollar volume increased 42 percent.

Even better, dollar sales for the most recent period didn't include revenue from AM General. It is already being considered a discontinued operation, even though its sale to LTV Corp. is not expected to become final until mid-September.

Losses from operations other than AM General were actually stemmed this quarter, the AMC figures show. Losses were $78.87 million in the most recent quarter, $86.46 million in the first quarter and $92.55 million one year ago.

• AMC officials had said earlier this year they expected this year's first-half losses to be higher than last year's, but they said the second half of this year will show a significant improvement, even without the sale of AM General.

That sale is expected to add another $90 million gain to AMC's third-quarter balance sheet. The sale price is $190 million.

AM General's earnings last quarter were only $991,000, compared with $23.79 million in the second quarter of 1982 and $20.39 million in the first quarter of this year. A spokeswoman for AMC attributed the decline to the sporadic nature of government funding.

Last quarter's massive loss also reflects the high cost of major retooling for a new line of small Jeeps in Toledo, two hatchback versions of the Renault Alliance (to be called the Encore) in Kenosha, Wis., and a new four-cylinder engine. Some of the cost of discontinuing the old AMC car lines also showed up in the second quarter.

Sales for the quarter (not including AM General) were reported at $761.74 million, up 42 percent from the $536.09 million of a year earlier and up 19.5 percent from the first quarter's $637.43 million (restated to eliminate AM General).

For the first six months of this year, AMC lost $144.95 million on sales of $1,399.2 million. A year ago, the first-half loss was $119.7 million on sales of $1,022.7 million.

• Unit sales in the U. S. and Canada were up more than 60 percent, from 55,346 in the second quarter of last year to 88,843 last quarter. That broke down into a gain of nearly 77 percent in cars: From 39,075 to 69,116, and a gain of more than 21 percent in Jeep sales: From 16,271 to 19,727.

International vehicle sales dropped nearly 45 percent, from 11,047 to 6,103.

Worldwide vehicle sales were 94,946, a gain of 43 percent from the second quarter of 1982.

A joint statement by Chairman J. Paul Tippett and President Jose Dedeurwaerder noted that "the international outlook is beginning to improve," and AMC has resumed shipments to Mexico and Venezuela.

"Sales of the Alliance continue strong, and recent actions have improved our margins on this vehicle," they said. The improvement was made without any additional foreign sourcing, an AMC executive said earlier.

Alliance output has been increased to 900 per day, and AMC is investigating further production increases. Beginning July 11, the company also increased its Jeep production by 200 units a day, with the addition of the smaller Jeep XJ. AMC anticipates increased sales in this segment.

## Big Three profits near $1.9 billion; AMC still in red

The Big Three reported net income of $1,895 million for the second quarter, up 117 percent from last year's $872 million. Each of the companies was solidly in the black.

American Motors, however, continued to swim in red ink. AMC's loss cut net income to $1,816 million for the four manufacturers, a gain of 126 percent over $803 million in 1982.

For Chrysler Corp., the second quarter was the best three-month period in history with a profit of $310 million. It was nearly triple the $107 million earned in the April-June span a year ago.

Ford Motor Co. jumped to a profit of $542 million in the second quarter, more than 2½ times as much as the $205 million it earned in the corresponding period of 1982.

General Motors made its best showing in four years and had its fifth highest quarterly earnings ever. The total was $1,043 million, up from $560 million a year ago.

AMC reported its 13th consecutive quarterly loss. The second-quarter deficit was $79 million, compared with a loss of $69 million last year.

# GM's billion-dollar profit is fifth highest in history

By Kathleen Hamilton
Financial Editor

General Motors reported second-quarter earnings of $1.04 billion ($3.32 a share), its best showing in four years and the fifth-highest quarterly earnings ever on record sales.

Earnings were up better than 86 percent compared with $560 million in the year-earlier quarter, but sales were up only 12 percent in unit volume and 13 percent in dollar volume.

One big contribution to earnings was another record quarter by GMAC. The finance subsidiary and its insurance arm reported earnings of $250.9 million, a second-quarter record. The total was down by about $6 million from the first quarter, but was almost double the year-earlier figure of $130.9 million.

GM improved its cash position by $2.3 billion during the quarter.

Sales of $19.4 billion were 13 percent above last year's $17.1 billion, and unit sales of 2.05 million vehicles were up 12 percent from the second quarter of 1982, when GM sold 1.83 million cars and trucks.

• Analysis of the company's preliminary financial reports shows GM did make some improvements during the quarter in reducing its inventories and interest expenses, but most of its gains seem to be from higher profits per sale.

Certainly the public's shift toward larger cars has benefited GM more than any other auto company, but it is also clear that GM has passed its (undisclosed) breakeven point. Above that level of production, it makes considerably more profit per car.

For the half, GM earned $1.70 billion ($5.40 per share) on sales of $36.14 billion. Earnings were almost 2½ times as much as last year's $688.3 million ($2.23 a share). Sales were up more than 13 percent from last year's $31.87 billion.

## Mexico approves 13.5 pct. hike in vehicle prices

MEXICO CITY. — The Secretariat of Commerce and Industrial Promotion has authorized the automotive industry to increase vehicle prices by 11.37 to 13.5 percent, depending upon the needs of each company, according to Arturo Guerra, technical director of auto manufacturers association.

Guerra also said that 55 to 60 percent of the parts the industry is using are made in Mexico and the other 40 or 45 percent are imported, which raises costs considerably for each unit.

He said the 45 percent imported parts means that manufacturers lose money on each unit delivered to dealers.

"According to the government's plans," Guerra said, "this problem will be solved by 1986. By then, imported parts for automotive production will represent only 20 percent and the other 80 percent will be parts made in Mexico."

**AUTO MAKERS' SALES, PROFITS**

(In millions of dollars)

| | — Second Quarter — | | | | — First Half — | | | |
|---|---|---|---|---|---|---|---|---|
| | 1983 | | 1982 | | 1983 | | 1982 | |
| | Sales | Profit (Loss) | Sales | Profit (Loss) | Sales | Profit (Loss) | Sales | Profit (Loss) |
| American Motors | $ 762 | ($ 79) | $ 536 | ($69) | $ 1,399 | ($145) | $ 1,023 | ($120) |
| Chrysler Corp. | 3,569 | 310 | 2,865 | 107 | 6,669 | 482 | 5,376 | 257 |
| Ford Motor | 11,732 | 542 | 10,930 | 205 | 21,767 | 753 | 19,846 | (97) |
| General Motors | 19,400 | 1,043 | 17,145 | 560 | 36,144 | 1,697 | 31,866 | 688 |
| TOTALS | $35,463 | $1,816 | $31,476 | $803 | $65,979 | $2,787 | $58,111 | $728 |

### Mancuso Chevrolet celebrates 30th year

SKOKIE, Ill. — Mancuso Chevrolet celebrated its 30th anniversary as an auto dealership in Skokie with an open house.

Music, dancing, door prizes and refreshments were featured. Jim Mancuso is president.

# factories list auction dates

### American Motors

Aug. 2—Aptco Auto Auction, Taylor, Mich., and D-A Auto Auction, New Stanton, Pa.

Aug. 3—Columbus Fair Auto Auction, Obetz, O.; Metro Milwaukee Auction, Caledonia, Wis., and Kansas City Auto Auction, Kansas City, Mo.

Aug. 4 — Minneapolis Northstar Auto Auction, Shakopee, Minn., and Todd Auto Auction, Telford, Pa.

Aug. 10—Columbus Fair Auto Auction, Obetz, O.; Central States Auto Auction, Mason City, Ia., and Southern Auto Auction, Warehouse Point, Conn.

Aug. 11 — Minneapolis Northstar Auto Auction, Shakopee, Minn., and Evansville Auto Auction, Evansville, Ind.

Aug. 12 — Floyd Hauhe Auto Auction, Bridgeton, Mo., and Concord Auto Auction, Acton, Mass.

**Model breakdown**

Auction Averages

| | JULY | JUNE | MAY |
|---|---|---|---|
| 1983..... | $11,178 | $10,012 | $10,203 |
| 1982..... | 7,622 | 8,070 | 8,011 |
| 1981..... | 6,164 | 6,142 | 6,258 |
| 1980..... | 5,281 | 4,906 | 5,198 |
| 1979..... | 4,529 | 4,644 | 4,630 |
| 1978..... | 3,353 | 3,475 | 3,444 |
| 1977..... | 2,645 | 2,779 | 2,705 |
| 1976..... | 2,113 | 1,877 | 2,199 |
| Overall Average | $ 5,172 | $ 5,138 | $ 5,173 |

### Nissan increases U. S. parts purchases

CARSON, Calif.—Nissan Motor Co., Ltd., imported $116 million in auto parts from the U. S. in the fiscal year ended March 31, according to Nissan U.S.A., the company's U. S. distributor.

The procurements were up 12 percent from a year earlier.

### Ford Motor Co.

Aug. 3—Southwest Auto Auction, Phoenix, Ariz.

Aug. 4—Nashville Auto Auction, Nashville, Tenn.

Aug. 9—Dallas Auto Auction, Dallas, Tex.

Aug. 10—Clanton's Auto Auction, Darlington, S. C.

Aug. 16—Arena Auto Auction, Chicago, Ill.

Aug. 17—Metro Auto Auction of Kansas City, Lee's Summit, Mo., and Golden Gate Auto Auction, Fremont, Calif.

**Used Car Sales**

Auction Averages

| | |
|---|---|
| July | $5,172 |
| Month ago | $5,138 |
| Year ago | $4,885 |

# Optional test is proposed for meeting brake standard

WASHINGTON. — An optional brake-test procedure for trucks and some buses over 10,000 pounds has been proposed by NHTSA for its standard on hydraulic brake systems.

NHTSA said the change would allow certain vehicles built by GM to pass the government's braking safety standard for partial braking failures.

GM recently told NHTSA that some of its vehicles could not pass the limited test sequence for braking, but qualified under the more extensive test.

NHTSA said the increased stringency of the limited test was unintentional, and resulted from the tendency of cold, or untested brakes, to be less effective than those tested after use has created heat-induced friction.

NHTSA's proposal would allow manufacturers to meet partial failure requirements after conducting the standard's full test sequence, instead of the abbreviated test now specified.

The full test is mandated for all school buses and is considered more thorough. It calls for three effective tests, brake conditioning procedures and the use of the parking brake. The abbreviated version calls for brake conditioning only.

GM said redesign of its vehicles under the limited test sequence would have cost at least $100 per vehicle without improving user service.

### Chevy signs Proffitt

GALLUP, N. M. — Terry L. Proffitt has been franchised by Chevrolet to operate Amigo Chevrolet here.

# used-car auction directory

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**As West Germany breaks ranks to require its use**

# Lead-free gas confuses Continent

BONN, West Germany.—The decision by the West German Government to introduce lead-free gasoline for the 1986 calendar year has caused widespread confusion throughout Europe's auto industry.

It followed a few weeks the European Commission's latest gathering in Stuttgart, where it was agreed to investigate the possibilities of introducing lead-free fuel across Europe. That report was due to be heard on April 1 next year.

It also followed independent actions by governments in Sweden, Switzerland and the UK. But while the UK's concern about lead in gas centered on possible brain damage to young children, West Germany's was on acid rain, which is believed to be ruining the forests which form part of the country's national heritage.

"It really took us by surprise — and in the middle of our works holiday," reports a spokesman for Germany's largest auto maker, Volkswagen.

• Until recently, European countries have been able to solve their exhaust emission problems with considerable cooperation.

Carbon monoxide emissions have been reduced to 30 percent of their 1972 value, unburned hydrocarbons to 50 percent, and, since 1977, a gradual reduction of NOx emissions has been added to the program.

Regulations have been met without the use of catalytic converters, lead-free gas, exhaust-gas recirculation, low-compression ratios and other fuel-consuming devices. Even without downsizing, most European cars use 15 percent less fuel than four years ago.

Lead in gas content is set at a maximum of 0.4 grams per liter and a minimum of 0.15 — the latter to prevent any government from trying to close its market to competition by offering only lead-free gas on its territory.

Any changes in regulations have to be at EC level and with the consent of all members. Also, non-EC countries are considered party to the agreements, provided they do not change the rules.

But, the lobby for lead-free is growing. Most politicians and auto makers agree, though: It should be introduced across the continent at the same time. If not, trans-European border crossing to countries where no lead-free is available will become impossible.

• Most reluctance seems to emanate from France and Italy, where the additional burden of fitting catalytic converters is a bigger consideration on their smaller, less expensive cars than it is on the higher-priced models from West Germany.

Sweden was first to decide it needed more stringent regulations. It was followed by Switzerland, which last year introduced its own, more strict regulations and test procedures. They did not, however, require the fitting of catalytic converters.

In the UK, the Government finally accepted the evidence about environmental lead being a health hazard to children and announced lead-free gas from 1990 at the latest.

In Germany, the acid-rain destruction of trees has in part been traced to car emissions. But, according to Prof. Werner Breitschwardt, head of R & D at Daimler-Benz, "Only 2 percent of total NOx emissions, natural emissions included, can be traced back to car tailpipe exhausts, and any further reduction of NOx emissions is only possible by fitting catalytic converters and using lead-free fuel."

Most of Germany's auto makers are familiar with the technology which the proposals will require. They are substantial exporters of cars to the U. S., though ironically the two major American - owned companies, Ford and General Motors (Opel), send no cars to the U. S. from Europe.

• A VW executive points out that to meet the regulations cars will cost $500 more each and use 10 percent more fuel.

"I hope the government has taken that into consideration," he says.

Some executives also foresee a massive rush to buy the last of the cheaper and more economical models at the end of 1985. They predict a major sales slump in the early part of 1986 and the possibility of having to lay off auto workers.

A political analyst at BMW comments, "It is my guess that it will take the Government the best part of next year to turn this proposal into a proper law and to come up with detailed emission standards, test procedures and so on. That will leave the manufacturers less than a year to modify and adapt their models."

The country's auto makers' association, the VDA, does not think those are the only problems. It will take officials many months simply to handle the stream of demands for new type approval for all models on the German market.

A Daimler-Benz official insists that lead-free gas must be made available in 98 octane quality.

The legal aspect is puzzling auto makers, too. No country can make such a decision independent of others. The only possible deviation is in the case of a very special and severe local health hazard, which can be solved with specific local regulations.

Whether this instance will be employed remains to be seen. Some auto makers feel that the final say will come only from the European Court in Strasbourg.

***T-bird moonroof***

Sky-Top Sunroofs, Ltd., St. Louis, is marketing a power moonroof to fit the 1983 Ford Thunderbird. The electrically operated, glass panel, sliding sunroof features a wide opening with an unobstructed view, the company said.

### Nissan names Hankins

CARSON, Calif. — Howard Hankins has been named general auditor, assistant treasurer of Nissan U.S.A. He has been with Deloitte Haskins & Sells, an international public accounting firm, for 33 years.

## Shell, Calif. bank use funds transfer for gas purchases

SAN FRANCISCO. — Wells Fargo Bank and Shell Oil Co. have created a joint venture utilizing 23 Shell service stations in the San Francisco Bay Area in a pilot program involving electronic funds transfer for purchase of gasoline and oil.

Each of the 23 station operators will become Wells Fargo customers and have a bank-provided electronic terminal installed. The station operator will have the amount of a sale credited immediately to his account at Wells Fargo, obviating need to visit a branch bank during working hours with sales slips.

Bank officials explained that "when a customer buys $20 worth of gas and his Gold Account Wells Fargo card is inserted in the terminal, the $20 will be deducted immediately from the purchaser's checking account at Wells Fargo."

A somewhat similar program is being considered by Bank of America and Standard Oil Co.'s Chevron USA. Bank of America has 5.4 million cards in its Versateller electronic network and Chevron has 2,000 stations in California.

Under the Chevron-Bank of America proposal, Chevron stations would install a newly developed NCR electronic device that can be attached to service station gas pumps.

## IMPORT SALES BY MODEL: May '83 vs. May '82

| | May, 1983 | May, 1982 | 5 Mos., 1983 | 5 Mos., 1982 |
|---|---|---|---|---|
| Alfa Romeo | 340 | 165 | 1,238 | 737 |
| Audi | 3,675 | 3,593 | 16,410 | 18,492 |
| 4000 | 1,120 | 964 | 4,779 | 5,286 |
| 4000d | 76 | 193 | 716 | 1,336 |
| 5000 | 987 | 1,313 | 5,057 | 6,854 |
| 5000/TD | 694 | 492 | 2,846 | 1,438 |
| 5000 Turbo | 238 | 318 | 1,145 | 1,972 |
| 5000 S | 191 | ..... | 191 | ..... |
| Coupe | 357 | 276 | 1,370 | 1,569 |
| Quattro | 12 | 37 | 212 | 37 |
| Tourist | ..... | ..... | 94 | ..... |
| BMW | 4,706 | 4,167 | 20,647 | 19,955 |
| 320 | 2,653 | 2,955 | 11,565 | 13,432 |
| 528 | 1,357 | 824 | 5,911 | 4,326 |
| 633 | 186 | 138 | 1,018 | 730 |
| 733 | 510 | 250 | 2,153 | 1,467 |
| Chrysler/Mitsubishi | 7,900 | 6,353 | 37,793 | 39,989 |
| Colt | 4,982 | 4,187 | 25,927 | 20,078 |
| Sapporo | 1,294 | 916 | 5,170 | 4,742 |
| Challenger | 1,624 | 1,250 | 5,696 | 6,169 |
| DeLorean | 60† | 236 | 300† | 1,217 |
| Ferrari | 74 | 76 | 213 | 317 |
| Fiat | 685 | 1,369 | 3,226 | 8,199 |
| Strada | 30 | 432 | 272 | 3,150 |
| Brava | 7 | 222 | 58 | 1,590 |
| X-1/9 | 227 | 268 | 912 | 1,295 |
| Spider | 421 | 447 | 1,974 | 2,164 |
| Honda | 33,658 | 33,917 | 149,350 | 159,113 |
| Civic | 11,677 | 12,076 | 59,805 | 55,559 |
| Accord | 16,065 | 18,229 | 81,048 | 86,411 |
| Prelude | 5,916 | 3,612 | 8,497 | 17,143 |
| Isuzu | 1,098 | 930 | 7,755 | 5,397 |
| Jaguar | 1,658 | 791 | 6,152 | 3,569 |
| Lancia | 67 | 401 | 54 | 322 |
| Mazda | 14,515 | 11,980 | 73,815 | 62,834 |
| GLC | 4,649 | 3,764 | 21,500 | 21,567 |
| 626 | 5,270 | 4,444 | 28,839 | 21,107 |
| RX-7 | 4,596 | 3,772 | 23,476 | 20,160 |
| Mercedes-Benz | 6,630 | 5,684 | 28,952 | 26,548 |
| 240D | 1,299 | 1,256 | 5,645 | 6,449 |
| 300D | 1,643 | 1,260 | 7,550 | 5,667 |
| 300CD | 169 | 160 | 737 | 751 |
| 300TD | 277 | 248 | 1,116 | 1,279 |
| 300SD | 1,807 | 1,544 | 7,151 | 6,726 |
| 280E | ..... | ..... | ..... | 25 |
| 280CE | ..... | ..... | ..... | 1 |
| 380SEL | 447 | 336 | 2,132 | 1,413 |
| 380SL/SLC | 818 | 713 | 3,863 | 3,424 |
| 380SEC | 170 | 162 | 757 | 800 |
| Miscellaneous | ..... | 5 | 1 | 13 |
| Mitsubishi | 2,300 | ..... | 11,249 | ..... |
| Starion | 558 | ..... | 2,304 | ..... |
| Cordia | 781 | ..... | 4,391 | ..... |
| Tredia | 961 | ..... | 4,554 | ..... |
| Nissan | 44,621 | 40,261 | 221,465 | 184,374 |
| 210 | ..... | 5,120 | 336 | 53,245 |
| Sentra | 16,854 | 15,883 | 89,357 | 15,883 |
| 310 | 101 | 2,943 | 1,855 | 21,589 |
| Pulsar | 4,053 | ..... | 23,881 | ..... |
| Stanza | 6,361 | 3,891 | 25,902 | 23,379 |
| Maxima | 6,533 | 3,906 | 28,735 | 19,048 |
| 200SX | 3,154 | 3,506 | 17,911 | 23,143 |
| 280ZX | 7,220 | 4,693 | 31,731 | 26,332 |
| Hawaii | 345 | 319 | 1,757 | 1,365 |
| Other | ..... | ..... | ..... | 390 |
| Peugeot | 1,173 | 972 | 5,990 | 5,673 |
| 504 | ..... | 129 | ..... | 699 |
| 505 | ..... | 318 | ..... | 1,575 |
| 505D | ..... | 47 | ..... | 484 |
| 505TD | ..... | 398 | ..... | 2,495 |
| 604 | ..... | 54 | ..... | 310 |
| Tourist | ..... | 26 | ..... | 110 |
| Porsche | 1,616 | 1,258 | 8,923 | 5,569 |
| 924 | ..... | 152 | ..... | 1,489 |
| 924 Turbo | ..... | 34 | ..... | 543 |
| 944 | 901 | 532 | 4,839 | 631 |
| 911SC | 294 | 391 | 1,954 | 1,937 |
| 911 Cabriolet | 199 | ..... | 668 | ..... |
| 928 | 222 | 149 | 1,261 | 969 |
| Tourist | ..... | ..... | 201 | ..... |
| Renault | 3,330 | 3,580 | 12,342 | 15,513 |
| Le Car | 2,016 | 1,425 | 6,179 | 6,988 |
| 18i | 265 | 1,597 | 1,248 | 2,967 |
| Fuego | 1,049 | 558 | 4,915 | 5,558 |
| Saab | 2,019 | 1,624 | 10,791 | 7,086 |
| 900 | 565 | 416 | 2,820 | 1,793 |
| 900S | 547 | 371 | 2,823 | 1,429 |
| Turbo | 835 | 801 | 4,990 | 3,784 |
| Tourist | 72 | 35 | 158 | 80 |
| Subaru | 12,995 | 10,683 | 65,089 | 60,002 |
| Toyota | 50,147 | 50,141 | 225,631 | 217,258 |
| Starlet | 524 | 1,632 | 4,390 | 8,209 |
| Corolla | 13,277 | 17,901 | 58,615 | 72,027 |
| Tercel | 13,414 | 12,656 | 66,349 | 52,839 |
| Celica | 10,719 | 11,743 | 47,215 | 51,2[illegible] |
| Supra | 2,312 | 3,009 | 13,361 | 13,5[illegible] |
| Corona | ..... | 65 | 12 | 3,[illegible] |
| Cressida | 3,367 | 3,257 | 16,257 | 1[illegible] |
| Land Cruiser | 380 | 259 | 2,123 | 1,319 |
| Hawaii | 445 | 411 | 2,059 | 1,873 |
| Camry | 5,709 | ..... | 15,250 | ..... |
| Volkswagen | 4,907 | 5,415 | 31,514 | 26,709 |
| Rabbit Convertible | 599 | 898 | 4,441 | 3,718 |
| Jetta | 1,642 | 1,568 | 8,285 | 8,336 |
| Vanagon | 966 | 1,145 | 5,692 | 5,121 |
| Quantum | 1,081 | 967 | 7,055 | 3,596 |
| Dasher | ..... | 48 | ..... | 493 |
| Scirocco | 619 | 789 | 6,041 | 5,443 |
| Volvo | 8,421 | 6,611 | 39,524 | 33,996 |
| DL | 3,989 | 3,798 | 19,674 | 19,249 |
| GL | 1,474 | 867 | 7,426 | 4,740 |
| GLT | ..... | 6 | ..... | 189 |
| GLT Turbo | 1,167 | 839 | 5,479 | 4,735 |
| GLE | 13 | 229 | 187 | 1,093 |
| DL Diesel | ..... | 27 | ..... | 326 |
| GL Diesel | 415 | 735 | 2,382 | 3,125 |
| Coupe | 1 | 6 | 3 | 63 |
| 760 gas | 932 | ..... | 2,515 | ..... |
| 760 TD | 203 | ..... | 932 | ..... |
| Tourist | 227 | 104 | 920 | 476 |
| TOTAL | 206,591 | 189,860 | 978,766 | 902,869 |

† Estimate.

**Makers build 117,187 cars for week**

# Eight plants down; production slips

By Mary Beth Mayer
Staff Writer

With eight facilities closed last week, domestic car production fell 6.15 percent from the previous week's total.

Output last week was targeted at 117,187 units, down from the prior week's 124,870, but up 7.27 percent from the 109,247 built in the year-ago week.

Breakdown for the week by companies was: General Motors, 60.69 percent; Ford Motor Co., 25.71 percent; Chrysler Corp., 8.82 percent; American Motors, 3.50 percent, and Honda, 1.28 percent.

For July, the makers estimate production at 464,501, up 6.38 percent from 436,644 units built that month last year.

Year-to-date, the auto makers have assembled 3,757,099 units, a 20.57 percent gain from last year's 3,116,012.

The eight facilities which were closed last week include five GM plants, one Ford plant, one Chrysler point and the Volkswagen of America facility.

The five GM facilities — Detroit, Flint, Norwood, Tarrytown and Willow Run — are down for model changeover. By Aug. 22, all will be back in operation.

Ford's Dearborn plant and Chrysler's Jefferson plant were down last week for inventory control.

Volkswagen's Westmoreland point will return today after three weeks of downtime for model changeover.

GM's Arlington, Lansing and Lordstown points worked last Saturday (July 20). Saturday overtime at Ford was logged at the Kansas City and St. Louis plants.

# UAW and Chrysler fail to agree on new contract

Continued from Page 1

expires Jan. 14, 1984.

The proposal would have raised Chrysler's labor costs from $20.81 an hour today to $25 by the end of the contract, he said.

The Chrysler proposal provided the union with a $1 an hour raise up front and then raised the Chrysler workers to current parity with their counterparts at GM and Ford in two years in wages and benefits. Cost-of-living adjustments were not included.

According to both Chrysler and the UAW, Chrysler workers currently make $2 an hour less than those at GM and Ford.

Workers at the Big Two will also get an additional 41 cent-an-hour raise by June 1, 1984, because of COLA deferred in the 1982 contract.

According to both Chrysler and the UAW, the company proposal would have put the Chrysler workers at least $1 behind those at Ford and GM when the contract expired in two years. Ford and GM negotiate new agreements in September, 1984.

• Chrysler workers gave up COLA adjustments in 1981 and are currently $1.71 behind GM. The annual improvement factor (AIF) was also eliminated then and the Chrysler workers are currently 30 cents behind GM.

Under the proposal, Chrysler would have given the workers back 70 cents in COLA and the entire 30 cents AIF.

According to Miner, the company was also willing to match the 41-cent COLA increase at Ford and GM by September, 1984, bringing the total Chrysler raise to $1.41, but still $1.01 behind the current wages of those at Ford and GM.

Besides the $1 up front wage increase, Chrysler also wanted to tie health-care benefits to COLA. That plan called for $15 million to be cut from the company's annual $370 million health-care cost. If they failed to reach that target, the shortfall would be deducted from future COLA.

Chrysler also wanted to defer COLA payments for any quarter the company doesn't make a profit. They would be picked up in the next profitable quarter.

# Iacocca says he's disappointed by failure of talks

WASHINGTON. — Commenting on the failure of the Chrysler-UAW talks, Chrysler Chairman Lee Iacocca said last week, "I'm disappointed. I thought after we'd been through the fires of hell together that we'd learned a lesson.

"Who knows what will happen in the future. I can't come into a contract with locked in costs that could exceed my ability to pay."

He said he was ready to reopen negotiations at any time.

### Chevrolet for Dimon

AUBURN, Ill. — David A. Dimon has signed a Chevrolet franchise and is doing business as Heritage Chevrolet, Inc.

# Truck production slips for week; 45,547 assembled

Last week's estimated domestic truck production was 45,547, down 4.48 percent from the previous week's 47,682, and down 2.06 percent from the year-ago week's 46,505.

Year-to-date, the makers have built 1,296,351 units, up 8.13 percent from 1,198,937 completed in the 1982 period.

General Motors' Flint facility is down for model changeover until Aug. 8.

Volkswagen of America's Westmoreland point returns today after three weeks of vacation.

International Harvester's Ft. Wayne plant has closed. Since 1923, Ft. Wayne has built 1,527,299 vehicles.

GM's Pontiac point worked last Saturday (July 30).

# Canadian output up 11 pct. for year to date

Last week's Canadian auto production was targeted at 14,239 units, up 9.61 percent from the previous week's 12,991 units and 30.76 percent above the 10,889 cars assembled in the year-ago week.

So far this year, 586,080 cars have been completed in Canada, up 11.74 percent from 524,491 built in the comparable 1982 period.

Canadian truck makers estimated last week's output at 5,097, up 36.61 percent from 3,731 the previous week—which was the year's low—and down 7.75 percent from 5,525 assembled in the year-ago week.

General Motors' Oshawa Plant No. 2 was down last week and will remain closed this week for vacation. Next Monday (Aug. 8), GM's Oshawa Plant No. 1 will begin a two-week vacation.

At the Oshawa truck facility, the first shift's two- week vacation began last week and the second shift's vacation will extend from Aug. 8 to Aug. 22.

Chrysler Corp.'s Windsor car point is retooling for the T-115 van/wagon, which it will begin to produce during the first week of October. Chrysler's Windsor truck facility resumes production today (Aug. 1) after a two-week vacation.

Volvo's Halifax plant is in the midst of a three-week vacation and will return to work Aug. 8.

Last week, Ford Motor Co. car and truck points returned to work after a three-week break and International Harvester resumed production after being down for model changeover.

## U. S. CAR PRODUCTION

| | Week Ended July 30, 1983 | Week Ended July 31, 1982 | Week Ended July 23, 1983 | July Est. | Jan. 1 to July 31, 1982 | Jan. 1 to July 30, 1983 |
|---|---|---|---|---|---|---|
| AMERICAN MOTORS | 4,100 | 2,456* | 3,009 | 9,480 | 35,519* | 99,335 |
| AMC Total | ..... | 2,456* | ..... | ..... | 35,519* | 4,071 |
| Concord | ..... | ..... | ..... | ..... | ..... | 3 |
| Eagle | ..... | ..... | ..... | ..... | ..... | 4,068 |
| Renault Total | 4,100 | ..... | 3,009 | 9,480 | ..... | 95,264 |
| Alliance | 2,700 | ..... | 2,131 | 7,202 | ..... | 92,986 |
| Encore | 1,400 | ..... | 878 | 2,278 | ..... | 2,278 |
| CHRYSLER CORP. | 10,340 | 7,709 | 14,077 | 57,355 | 355,344 | 492,610 |
| Plymouth Total | 5,600 | 3,152 | 6,025 | 24,023 | 146,304 | 179,037 |
| Horizon | 2,600 | 1,854 | 2,364 | 9,748 | 46,606 | 64,079 |
| Reliant | 3,000 | 1,298 | 3,661 | 14,244 | 99,698 | 112,024 |
| Caravelle ('83) | ..... | ..... | ..... | 31 | ..... | 2,934 |
| Chrysler Total | 240 | 680 | 1,705 | 8,274 | 68,487 | 113,692 |
| LeBaron | 240 | 680 | 373 | 3,135 | 68,487 | 51,913 |
| Chrysler E-Class | ..... | ..... | 1,332 | 5,139 | ..... | 61,779 |
| Dodge Total | 4,500 | 3,877 | 6,347 | 25,058 | 140,553 | 199,881 |
| Omni | 2,900 | 1,706 | 2,846 | 11,316 | 43,965 | 73,448 |
| Aries | 1,500 | 1,820 | 2,917 | 9,258 | 75,893 | 82,464 |
| Dodge 400 | 100 | 351 | 271 | 939 | 20,695 | 18,578 |
| Dodge 600 | ..... | ..... | 313 | 3,545 | ..... | 25,391 |
| FORD MOTOR | 30,127 | 29,239 | 32,869 | 69,331 | 671,254 | 831,804 |
| Ford Division | 17,821 | 17,183 | 19,512 | 41,178 | 426,534 | 530,748 |
| Escort | 4,588 | 6,416 | 5,428 | 10,691 | 168,931 | 146,960 |
| Fairmont | ..... | 2,866 | ..... | ..... | 74,271 | 23,728 |
| Mustang | ..... | 3,073 | 3,534 | 4,228 | 79,304 | 67,478 |
| LTD/Granada | 2,704 | 3,376 | 3,196 | 6,590 | 74,336 | 98,025 |
| Thunderbird | 3,691 | 1,278 | 1,634 | 6,065 | 25,196 | 112,282 |
| Crown Victoria/Ford.. | 2,681 | ..... | 2,272 | 5,352 | ..... | 52,751 |
| EXP | ..... | 174 | ..... | ..... | 4,496 | 1,184 |
| Tempo | 4,157 | ..... | 3,448 | 8,252 | ..... | 28,340 |
| L-M Division | 12,314 | 12,056 | 13,437 | 29,241 | 244,720 | 301,144 |
| Mercury Total | 9,828 | 10,185 | 10,879 | 23,610 | 188,881 | 237,785 |
| Lynx | 2,119 | 3,159 | 2,840 | 6,314 | 52,665 | 40,889 |
| Capri | ..... | 1,605 | 557 | 694 | 20,773 | 12,892 |
| Zephyr | ..... | 1,095 | ..... | ..... | 24,884 | 8,601 |
| Marquis, Cougar | 1,248 | 2,063 | 1,543 | 3,084 | 35,845 | 42,267 |
| Cougar/XR7 | 3,268 | 355 | 3,382 | 7,301 | 8,369 | 67,344 |
| Gr. Marquis/Marquis.. | 1,519 | 1,841 | 1,358 | 3,183 | 45,267 | 56,548 |
| LN7 | ..... | 67 | ..... | ..... | 1,078 | 290 |
| Topaz | 1,674 | ..... | 1,199 | 3,034 | ..... | 8,954 |
| Lincoln Total | 2,486 | 1,871 | 2,558 | 5,631 | 55,839 | 63,359 |
| Continental ('82) | ..... | 372 | 277 | 339 | 11,696 | 8,793 |
| Lincoln | 2,486 | 923 | 1,483 | 4,315 | 25,353 | 34,375 |
| Mark VI | ..... | 576 | 798 | 977 | 18,790 | 20,191 |
| GENERAL MOTORS | 71,120 | 66,204 | 73,554 | 321,482 | 1,991,654 | 2,261,324 |
| Buick Division | 12,866 | 15,381 | 12,950 | 67,899 | 462,997 | 521,799 |
| Skylark | ..... | 4,025 | ..... | 5,612 | 87,400 | 61,382 |
| Skyhawk J | 1,585 | ..... | 1,609 | 6,609 | 47,992 | 43,221 |
| Century | 3,420 | 3,479 | 3,527 | 14,397 | 81,282 | 95,375 |
| Regal | 4,120 | 4,650 | 4,070 | 17,965 | 121,980 | 145,402 |
| Buick | 2,521 | 3,227 | 2,561 | 18,568 | 103,205 | 148,795 |
| Riviera | 1,220 | ..... | 1,183 | 4,748 | 21,208 | 27,624 |
| Cadillac Division | 2,260 | 474 | 2,194 | 17,044 | 138,733 | 184,051 |
| Cimarron | 340 | 474 | 338 | 1,362 | 3,392 | 11,991 |
| Seville | 580 | ..... | 560 | 2,258 | 12,590 | 20,146 |
| Eldorado | 1,340 | ..... | 1,296 | 5,216 | 34,312 | 44,419 |
| Cadillac | ..... | ..... | ..... | 8,208 | 88,439 | 107,495 |
| Chevrolet Division | 27,190 | 25,266 | 29,850 | 119,865 | 635,839 | 736,121 |
| Chevette | 3,888 | 5,515 | 3,737 | 15,733 | 138,775 | 109,441 |
| Cavalier | 7,872 | 2,505 | 8,097 | 32,698 | 53,885 | 169,506 |
| Celebrity | 4,791 | 193 | 5,119 | 20,152 | 40,684 | 80,219 |
| Camaro | 2,735 | 5,344 | 4,750 | 17,058 | 136,601 | 117,566 |
| Citation | ..... | 4,746 | 1,184 | 4,076 | 112,035 | 60,950 |
| Malibu | 3,701 | 3,221 | 3,123 | 13,532 | 73,066 | 92,783 |
| Monte Carlo | 2,174 | 1,421 | 1,872 | 8,285 | 41,883 | 54,724 |
| Chevrolet | 1,404 | 1,719 | 1,350 | 5,850 | 21,329 | 36,747 |
| Corvette | 625 | 599 | 618 | 2,481 | 17,581 | 13,735 |
| Oldsmobile Division | 19,988 | 11,830 | 19,735 | 83,020 | 457,444 | 588,913 |
| Omega | ..... | 2,492 | ..... | 2,879 | 53,226 | 36,269 |
| Firenza | 875 | ..... | 859 | 3,679 | 34,011 | 28,385 |
| Cutlass | 6,360 | 3,658 | 6,308 | 25,327 | 119,544 | 170,502 |
| Cutlass/Ciera | 4,037 | 1,694 | 3,839 | 16,760 | 70,066 | 116,982 |
| Oldsmobile | 7,856 | 3,786 | 7,894 | 31,025 | 161,246 | 213,043 |
| Toronado | 860 | ..... | 835 | 3,350 | 19,351 | 23,732 |
| Pontiac Division | 8,816 | 13,256 | 8,825 | 33,654 | 296,641 | 230,440 |
| Acadian† | ..... | 461 | 310 | 870 | 8,037 | 10,264 |
| 2000 | 2,326 | 1,811 | 2,170 | 8,461 | 27,299 | 60,404 |
| 1000 | 1,317 | 1,590 | 1,354 | 4,612 | 23,930 | 25,750 |
| Firebird | 1,605 | 3,929 | 2,374 | 8,501 | 82,118 | 56,801 |
| Phoenix | ..... | 1,599 | 573 | 1,911 | 32,964 | 16,265 |
| G. Prix/B'ville ('83) | 2,068 | 3,866 | 2,044 | 7,799 | 97,523 | 59,456 |
| 6000 | ..... | ..... | ..... | ..... | 24,770 | ..... |
| HONDA | 1,500 | ..... | 1,361 | 4,469 | ..... | 22,689 |
| VOLKSWAGEN | ..... | 3,663 | ..... | 2,384 | 60,078 | 49,337 |
| CHECKER | ..... | ..... | ..... | ..... | 2,163* | ..... |
| Total Cars, U. S. | 117,187 | 109,247 | 124,870 | 464,501 | 3,116,012 | 3,757,099 |

## TRUCK PRODUCTION IN U. S.†

| | Week Ended July 30, 1983 | Week Ended July 31, 1982 | Week Ended July 23, 1983 | July Est. | Jan. 1 to July 31, 1982 | Jan. 1 to July 30, 1983 |
|---|---|---|---|---|---|---|
| CHEVROLET | 14,389 | 15,151 | 15,828 | 66,483 | 421,990 | 460,622 |
| DODGE | 2,200 | 2,512 | 2,262 | 10,373 | 80,421 | 78,781 |
| FORD | 21,018 | 19,139 | 21,160 | 46,206 | 423,530 | 503,940 |
| GMC | 3,920 | 5,462 | 4,809 | 19,312 | 153,580 | 149,151 |
| INTERNATIONAL | 970 | 1,185 | 945 | 2,655 | 27,222 | 28,205 |
| VOLKSWAGEN | ..... | ..... | ..... | ..... | 8,103 | 2,079 |
| JEEP | 2,000 | 2,006* | 1,628 | 5,049 | 48,711 | 43,543 |
| AM GENERAL | 50* | 50* | 50* | 200 | 1,380* | 1,430* |
| MISCELLANEOUS | 1,000* | 1,000* | 1,000* | 4,000 | 34,000* | 28,600* |
| Total Trucks, U. S. | 45,547 | 46,505 | 47,682 | 154,278 | 1,198,937 | 1,296,351 |

## CANADIAN TRUCK PRODUCTION

| | Week Ended July 30, 1983 | Week Ended July 31, 1982 | Week Ended July 23, 1983 | July Est. | Jan. 1 to July 31, 1982 | Jan. 1 to July 30, 1983 |
|---|---|---|---|---|---|---|
| CHRYSLER CORP. | ..... | ..... | ..... | 4,908 | 59,279 | 72,803 |
| FORD MOTOR | 3,287 | 3,360 | 205 | 4,506 | 83,081 | 77,134 |
| GENERAL MOTORS | 1,800 | 1,902 | 3,526 | 17,787 | 159,578 | 147,294 |
| INTERNATIONAL | 10 | 263 | ..... | 10 | 6,425 | 3,226 |
| Total Trucks, Canada | 5,097 | 5,525 | 3,731 | 27,211 | 308,363 | 300,457 |
| N. American Trucks | 50,644 | 52,030 | 51,413 | 181,489 | 1,507,300 | 1.596,808 |

†—How includes window van production. *—Estimated.
Jeep includes commercial only. AM General includes government-destined vehicles.

## CANADIAN CAR PRODUCTION

| | Week Ended July 30, 1983 | Week Ended July 31, 1982 | Week Ended July 23, 1983 | July Est. | Jan. 1 to July 31, 1982 | Jan. 1 to July 30, 1983 |
|---|---|---|---|---|---|---|
| AMERICAN MOTORS | 577 | 1,152 | 448 | 1,025 | 16,117 | 16,557 |
| CHRYSLER CORP. | ..... | ..... | ..... | ..... | 95,715 | 103,857 |
| FORD MOTOR | 8,862 | 8,111 | 275 | 11,274 | 180,281 | 129,770 |
| GENERAL MOTORS | 4,800 | 1,489 | 12,268 | 43,560 | 225,886 | 329,961 |
| VOLVO | ..... | 137 | ..... | 535 | 6,492 | 5,935 |
| Total Cars, Canada | 14,239 | 10,889 | 12,991 | 56,394 | 524,491 | 586,080 |
| N. American Cars | 131,426 | 120,163 | 137,861 | 520,895 | 3,640,503 | 4,343,179 |
| N. American Trucks | 50,644 | 52,030 | 51,413 | 181,489 | 1,507,300 | 1,596,808 |
| North American Cars and Trucks | 182,070 | 172,193 | 189,274 | 702,384 | 5,147,803 | 5,939,987 |

†—All Acadians and Caravelles are built for sale in Canada. *—Estimated.

8/9/83
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# Automotive News

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# First-half dealer decline is 76; lowest since 1977

By John K. Teahen Jr.
Managing Editor

Stronger sales and an improving business climate brought a high degree of stability to the domestic dealership population during the first six months of this year.

It was another sign that the industry is working its way out of the prolonged depression.

The dealer total was down, but it was the kind of decline that the industry can live with, as opposed to the monumental slides of the past three years.

The semiannual AUTOMOTIVE NEWS census found 20,723 dealerships handling domestic makes of passenger cars on July 1, a drop of 76 from the 20,799 counted at the beginning of 1983.

It was the smallest first-half dip since 1977 which saw a loss of 72, and it was only a fraction of the 556 outlets that faded away in the first six months of 1982.

Going back to the beginning of the current auto slump, the industry lost a staggering 930 domestic-car locations in the first half of 1980 and another 325 in the same period of 1981.

The quarterly results also were favorable this year. There was a decline of 48 outlets in the first quarter of 1983, and that was cut to 28 in the ensuing three months. It was the best second-quarter performance since 1973.

And it was the lightest loss for any quarter since the fourth stanza of the halcyon year of 1978.

The quarterly downturns of 48 and 28 compared with losses of 276 and 280 for those periods of 1982.

Chrysler Corp. was the star of the show in the first half with a solid gain of 62 dealerships. Ford Motor was up 10, marking the first time since 1974 that Ford has had a first-half advance.

Elsewhere, General Motors was down 75 for the half, and there were dips of 48 for American Motors-Renault and 19 for Volkswagen.

That's an aggregate of 70. A change in the number of intercorporate duals increased the industry's dip to 76 for the first half.

All figures in this article and in the accompanying tables refer to the net change in the dealership population, both for the individual corporations and car lines and for the domestic industry as a whole.

If, as hoped, the long decimation of the domestic dealer ranks has ended, it's not a moment too soon. The past four years have taken a frightful toll.

On July 1, 1979, the AUTOMOTIVE NEWS census showed 23,918 establishments handling domestic passenger cars. Today's 20,723 represents a loss of 3,195 outlets, or 13.36 percent of the total.

The franchise count was up for 10 of the 15 domestic makes during the first half, with the Chrysler Corp. lines leading the way. Dodge added 85 franchises; Plymouth was up 70, and Chrysler was up 60.

At Ford Motor, there were gains of 38 franchises for Lincoln, 31 for Mercury and two for Ford. Four of the five GM makes were up. Buick added 25 outlets, and there were increases of 20 for Pontiac and 15 apiece for Cadillac and Oldsmobile.

Chevrolet had a decline of 35 franchises for the first half. Also down were AMC, 27; Volkswagen, 19; Imperial, 9, and Renault, 3.

An analysis of the franchise

Continued on Page 45, Col. 1

## U. S. CAR OUTLETS

| | July 1, 1983 | Jan. 1, 1983 |
|---|---|---|
| American Motors-Renault | 1,541 | 1,589 |
| Chrysler Corp. | 3,699 | 3,637 |
| Ford Motor Co. | 5,424 | 5,414 |
| General Motors | 10,085 | 10,160 |
| Volkswag... | 915 | 934 |
| TOTALS | 21,564 | 21,734 |
| Minus Intercorporate Duals | 941 | 935 |
| NET OUTLETS | 20,723 | 20,799 |

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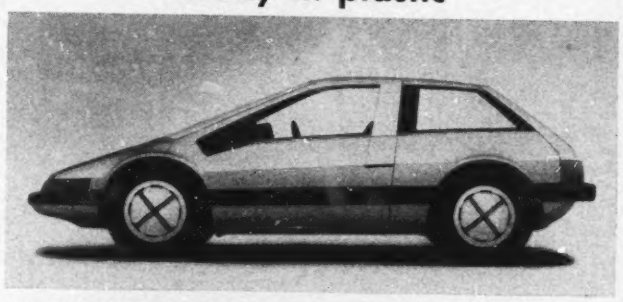
## Study in plastic



**Westcott SURV II seats two**

The Westcott SURV II (Sports/Urban Research Vehicle) is a design prototype built on an 86.4-inch wheelbase by Westcott Design Associates, Automotive Group, Westport, Conn. The SURV seats two and has exterior panels made of Kevlar and molded ABS. Doors pivot forward and upward. Note the integrated rear-view mirrors. A running prototype will be built this month.

# Allocation pinches on '84s, Chrysler dealers complain

By Joseph Bohn
Marketing Editor

While most domestic new-car dealers are currently suffering product shortages, many Chrysler Corp. dealers don't expect things to improve for them even by October.

Paradoxically, Chrysler dealers who traditionally have had to be coaxed into stepping up to new-model orders are now complaining bitterly that they can't — and won't — get enough new product in the fall.

Marvin Tepper, owner of Ace Dodge, Brooklyn, N. Y., said "there's no way to meet our overhead" with the 11 domestic cars and five trucks he's been allocated for October.

According to a contest goal set for him by factory people in the area, he's supposed to sell 29 cars and 20 trucks in October. But, with his allocation, he won't hit that. And worse, "There's no way we can make money. It's a matter of losing a lot of money," Tepper said.

"I've got seven domestic cars, eight trucks and a few imports to last me through September," he said. "September (shipments) won't be enough, and October is worse than September.

"I talked to everybody. Most of the dealers in this area are screaming that nobody has any K-cars," Tepper concluded.

On Long Island, N. Y., Reese Dodge is getting six Dodge Aries for October. But owner Harold Reese Jr., said five have already been sold.

• He added that his distribution manager tried to "pacify me" by offering him twice as many subcompact Omnis as Aries to compensate.

He said officials told him a "super advertising campaign" was being planned to help sell subcompacts.

"But traditionally we've sold

Continued on Page 7, Col. 1

# breaking news

### Chrysler T-115 to have 10-year rustguard

DETROIT.—Chrysler Corp.'s 1984 T-115 garageable van/wagon will have full 10-year corrosion protection for outer body rust-through. Now, all Chrysler cars carry five-year corrosion warranty protection. The van/wagon, as the Plymouth Voyager and Dodge Caravan, is scheduled to go on sale in January.

### First ARNA autos go into production

POMIGLIANO, Italy.—ARNA, the joint venture between Alfa Romeo and Nissan, has begun operations here. Alfa Romeo is responsible for the manufacture and supply of engines, transaxles, steering units, front suspensions and other major components, as well as for all painting and final assembly activities, while Nissan supplies body panels, instruments and rear suspensions. ARNA manufactures the bodies of the new front-wheel-drive cars in the 1,200 cc-to-1,500 cc class.

See BREAKING NEWS, Page 8, Col. 1

**Suit alleges brake defects and 'false responses' to inquiries; company denies charges**

# NHTSA sues GM to force 1.1-million X-car recall

By Helen Kahn
Washington Bureau Chief

WASHINGTON. — The Department of Justice, on behalf of NHTSA, has sued General Motors to force recall and repair of at least 1.1 million 1980 X-body cars with allegedly faulty braking systems.

In addition, the government is asking $4,027,000 in damages since NHTSA says GM filed "false and misleading responses" to its inquiries in "at least 18 instances."

J. Paul McGrath, assistant attorney general, said this is the first time the U. S. has asked for civil penalties against an auto maker for providing false data to the safety agency during a defect investigation.

NHTSA has received more than 1,740 complaints of premature rear brake lockup, with 71 complaints involving personal injury including 15 deaths.

Despite earlier recalls, which NHTSA has called inadequate, complaints from the Center for Auto Safety and Rep. Tim Wirth, Colorado Democrat, have continued. The General Accounting Office, Congress' watchdog agency, has been making an investigation and its report is now in draft form. Wirth has announced he will hold additional hearings.

In Detroit, Wiliam L. Webber Jr., GM assistant general counsel, issued the following statement concerning the lawsuit:

"We are surprised by the unexpected filing of the Justice Department suit. It is especially unwarranted in view of the fact that GM has cooperated extensively with NHTSA to develop the facts which will show clearly that no further recall or corrective action is appropriate.

"GM has voluntarily recalled about 240,000 vehicles. We believe such action was appropriate to allay customer concern. Also, we categorically deny the government's assertion of misrepresentation. Accordingly, we will vigorously defend the lawsuit."

GM also announced it had decided not to appear before Wirth's subcommittee because the corporation had been invited to discuss matters which are related to the lawsuit.

"The lawsuit was filed despite our clear understanding with counsel for NHTSA, which had been conducting an administrative investigation, that we would be given the opportunity to present our case through

Continued on Page 6, Col. 1

War over warrants

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